

ATTACHMENT A

**CORPORATE INTEGRITY AGREEMENT
BETWEEN THE
OFFICE OF INSPECTOR GENERAL
OF THE
DEPARTMENT OF HEALTH AND HUMAN SERVICES
AND
WEISS MEMORIAL HOSPITAL
CHICAGO, ILLINOIS**

I. PREAMBLE

Weiss Memorial Hospital ("Hospital") hereby agrees to enter into this Corporate Integrity Agreement (the "Agreement" or "CIA") with the Office of Inspector General ("OIG") of the United States Department of Health and Human Services ("HHS") to ensure compliance with the requirements of Medicare, Medicaid and all other federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)) by Hospital, its physicians, employees, and other health care professionals, as well as all third parties with whom Hospital may choose to engage to act as billing or coding agents or consultants for Hospital. On or about this date, Hospital is entering into a settlement agreement with the United States and this CIA is incorporated by reference into that settlement agreement.

II. TERM OF THE AGREEMENT

The period of the compliance obligations assumed by Hospital under this CIA shall be three (3) years from the date of execution of this CIA (unless otherwise specified).

III. CORPORATE INTEGRITY OBLIGATIONS

a. Compliance Officer. Within 120 days after the execution of this CIA, Hospital shall designate a Compliance Officer who shall be responsible for developing, implementing, monitoring, adapting, reporting on, and certifying compliance with, policies and procedures and practices designed to ensure compliance with the requirements set forth in this CIA, and with the requirements of Medicare, Medicaid, and all other Federal health care programs. The Compliance Officer shall be a member of senior management of Hospital (i.e., not subordinate to Hospital's general counsel, CFO, or similar officer) and shall make regular (at least quarterly) reports regarding compliance matters directly to the Hospital CEO and/or to the Board of Directors of Hospital.

b. Policies and Procedures. Within 120 days after the execution of this CIA, Hospital shall develop and effectively implement written Policies and Procedures regarding compliance with all federal and state health care statutes, regulations, and guidelines, including the requirements of Medicare, Medicaid, and other Federal health care programs. The Policies and Procedures shall specifically require that all diagnosis codes submitted to Medicare, Medicaid, or any other Federal health care program for claims purposes be properly supported by documentation by the treating physician in the patient's medical record. The Policies and Procedures shall require that all inpatient claims intended to be submitted to Medicare with a principal diagnosis code of 482.89 (or any successor to this code) shall first be subject to pre-billing review to ensure that the

diagnosis code was properly assigned. The Policies and Procedures shall include disciplinary guidelines and methods for employees to make complaints and notifications about compliance issues to Hospital management through the Confidential Disclosure Program required by section III(e). Hospital shall update the Policies and Procedures at least annually and more frequently as appropriate. The Policies and Procedures shall be distributed by Hospital individually to all employees, all contractors, and to all other individuals affected by them, including but not limited to physicians with privileges and all personnel with responsibilities pertaining to coding. Within 120 days after the execution of this CIA, or within one week after the commencement of the individual's relationship with the hospital (e.g., employment or contract), whichever is later, and annually thereafter, each individual who should receive the Policies and Procedures shall certify that he or she has read and understands the Policies and Procedures. Hospital shall keep a copy of these certifications on file for at least one year after the completion of the corporate integrity period mandated by this CIA.

c. Training and Education. Within 120 days after execution of this CIA, Hospital shall require and provide at least two hours of training to each and every employee of Hospital with responsibility for the provision, documentation, or billing of inpatient hospital services. This general training shall: (1) cover Hospital's Policies and Procedures; (2) reinforce the need for strict compliance with the applicable statutes, regulations, policies, procedures, and program guidelines, and Hospital's Policies and

Procedures; and (3) advise employees that any failure to comply may result in disciplinary action. Annually thereafter, Hospital shall require and provide one hour of such training to such individuals. New employees shall receive the general training described above within one week of the beginning of their employment or within 120 days after the execution of this CIA, whichever is later. In addition to the general training described above, within one week of the beginning of their employment or within 120 days after execution of this CIA, whichever is later, each and every person involved in the assignment of diagnosis or procedure codes for billing Medicare, Medicaid, or any other Federal health care programs shall receive at least five hours of training regarding the applicable statutes, regulations, policies, procedures, and program guidelines for Medicare, Medicaid, and all other Federal health care programs. If a person has any responsibility for the assignment of diagnosis or procedure codes prior to completing this coding training, a Hospital employee who has completed the coding training shall review all of the untrained person's work regarding the assignment of diagnosis or billing codes. Annually thereafter, Hospital shall require and provide three hours of the above described coding training to such individuals. Hospital shall make the training regarding the topics described in this section available to physicians with privileges and use its best efforts to encourage their attendance and participation.

d. Audits and Disclosures. Prior to the first anniversary of the execution of this CIA, Hospital shall retain a third-party to perform an audit (consistent with the

guidelines of the OIG's Office of Audit Services, e.g., OAS Policies and Procedures, Chapter 20-02, Transmittal 96:04, 8/5/96) designed to ensure compliance with the written Policies and Procedures described in III(b), with this CIA, and with all applicable federal and state health care statutes, regulations, policies, procedures, and program requirements. Annually thereafter, Hospital shall perform, or retain a third-party to perform, the same types of audits. Such audits should cover areas of potential fraud, abuse, or waste, as identified by Hospital or by the government, see, e.g., OIG's Compliance Guidelines for Hospitals, 63 Federal Register 8987 (February 23, 1998). Such audits shall focus particular attention on coding and the activities of physicians and personnel involved in the identification and coding of diagnoses for the purpose of billing Medicare, Medicaid, or any other Federal health care program. The audits must be retained by Hospital for at least one year after the completion of the corporate integrity period mandated by this CIA. If, as a result of these audits or through any other means, Hospital discovers any billing, coding or other policies, procedures and/or practices that result in a material deficiency, Hospital shall notify the payor (e.g., Medicare fiscal intermediary or carrier) within 30 days of discovering the deficiency and take remedial steps within 60 days (or such additional time as may be agreed to by the payor) to correct the problem, including preventing the deficiency from reoccurring. The notice to the payor should state that the repayment is being made in accordance with the terms of this CIA and should include: (1) the methodology by which the overpayment was determined;

(2) any claim specific information used to determine the overpayment; and (3) the amount of the overpayment; and (4) the date of the check and check number (or electronic transaction number) on which the overpayment was repaid. For purposes of this CIA, a

“material deficiency” shall mean anything that has a significant, adverse financial impact upon the Medicare and/or Medicaid programs, which may be the result of an isolated event or a series of occurrences, and which lacks conformity with Medicare and/or

Medicaid reimbursement principles or other applicable statutes, and the regulations and written directives issued by the Health Care Financing Administration (“HCFA”) and/or its agents, or any other agency charged with administering the health care program

implicated and/or its agents. Contemporaneous with Hospital’s notification to the payor as provided above, Hospital shall notify OIG of: (1) all of the information provided to the carrier in returning the overpayment; (2) the name and the address of the carrier where the overpayment was sent; (3) Hospital’s findings concerning the material deficiency; (4) Hospital’s actions to correct such material deficiency; and (5) any further steps the Hospital plans to take to address such material deficiency and prevent it from reoccurring.

While this reporting requirement focuses on occurrences having a “significant, adverse financial impact,” this provision does not excuse the Hospital’s statutory obligation as a Medicare or Medicaid participant to bring to a payor’s attention any other billing deficiencies, however de minimis, make appropriate refunds and take any steps necessary to prevent the occurrence in the future. In the event that the OIG determines that it is

necessary to conduct an independent audit or review to determine whether or the extent to which Hospital is complying with its obligations under this CIA, Hospital agrees to pay for the reasonable cost of any such audit or review.

e. Confidential Disclosure Program. Within 120 days after the execution of this CIA, Hospital shall establish a Confidential Disclosure Program enabling employees, and agents and contractors, if applicable, to communicate about compliance issues to the Compliance Officer. The Confidential Disclosure Program shall include methods, such as a toll-free compliance "hotline," for employees, agents, and contractors to disclose any practices or procedures with respect to Medicare, Medicaid, or any other Federal health care program, alleged by the individual to be inappropriate, to the Compliance Officer or some other person who is not in the reporting individual's chain of command. The Confidential Disclosure Program shall emphasize a non-retribution, non-retaliation policy, and shall include a reporting mechanism for anonymous, confidential communication. Hospital shall use intake procedures designed to elicit all relevant information from individuals reporting alleged misconduct. For any disclosure that is sufficiently specific that it reasonably (1) permits a determination of the appropriateness of the alleged improper practice, and (2) provides opportunity for the taking of corrective action, Hospital shall require the internal review of the allegations set forth in such disclosure and ensure that proper follow-up is conducted. Hospital shall, in good faith, make a preliminary inquiry into the allegations set forth in every disclosure to ensure that

it has obtained all of the information necessary to determine whether it should conduct an internal review as provided above. The Compliance Officer shall maintain a confidential disclosure log, which shall include a record of each allegation received, status of the investigation of the allegation, and any corrective action taken in response to the investigation. The Compliance Officer shall maintain all documentation related to information in the log and make such documents available for inspection by the OIG upon request.

f. Excluded Individuals. Effective upon the date of execution of this CIA, Hospital shall not employ, contract with, or otherwise use the services of any individual whom Hospital knows or should have known, after reasonable inquiry, (a) has been convicted of a criminal offense related to health care (unless the individual has been reinstated to participation in Medicare after being excluded because of the conviction), or (b) is currently listed by a federal agency as excluded, debarred, or otherwise ineligible for participation in any Federal health care program. In furtherance of this requirement, Hospital agrees to make reasonable inquiry as to any individual who is a prospective employee, agent, or individual considered for engagement by Hospital as an independent contractor by reviewing the General Services Administration's List of Parties Excluded from Federal Programs (available over the internet at <http://www.arnet.gov/epls>) and the HHS/OIG Cumulative Sanction Report (available over the internet at <http://www.dhhs.gov/progorg/oig>).

IV. OIG INSPECTION, AUDIT AND REVIEW RIGHTS

In addition to any other rights OIG may have by statute, regulation, contract or pursuant to this CIA, OIG or its duly authorized representative(s) may examine Hospital's books, records, and other documents and supporting materials for the purpose of verifying and evaluating: (i) Hospital's compliance with the terms of this CIA; and (ii) Hospital's compliance with the requirements of the Medicare, Medicaid and other federal health care programs. The documentation described above shall be made available by Hospital at all reasonable times for inspection, audit or reproduction. Furthermore, for purposes of this provision, OIG or its authorized representative(s) may interview any of Hospital's employees who consents to be interviewed at the employee's place of business during normal business hours or at such other place and time as may be mutually agreed upon between the employee and OIG. Hospital agrees to assist OIG in contacting and arranging interviews with such employees upon OIG's request. Hospital's employees may elect to be interviewed with or without a representative of Hospital present.

V. INITIAL AND ANNUAL REPORTS

Within 150 days after the execution of this CIA, Hospital shall submit a written report to the OIG. This initial report shall include: (1) the name and position description of the Compliance Officer described in section III(a); (2) the written Policies and Procedures required by section III(b); and (3) a description of the training programs implemented pursuant to section III(c) and a summary of the activities undertaken in

furtherance of the training programs, including schedules and topic outlines from the training sessions. Thereafter, Hospital shall submit to the OIG a written report annually within 30 days after the first, second, and third anniversary dates of the execution of this CIA, with respect to the status and findings of Hospital's compliance activities. The annual reports shall include: (1) any change in the identity or position description of the Compliance Officer described in section III(a); (2) any changes or amendments to the Policies and Procedures required by section III(b); (3) a description of any changes in the training programs implemented pursuant to section III(c) and a summary of the activities undertaken in furtherance of the training programs, including schedules and topic outlines for the training sessions; (4) a description of the audits conducted pursuant to section III(d), their results, problems identified in the audits, and corrective actions taken to address those problems; (5) a description of the disclosures received and actions taken by Hospital pursuant to section III(e) and a copy of the confidential disclosure log required by that section; (6) a description of any personnel action taken by Hospital as a result of the obligations in section III(f); (7) a description of any ongoing investigation or legal proceeding conducted or brought by a governmental entity involving an allegation that Hospital has committed a crime or has engaged in fraudulent activities; (8) a report of the aggregate overpayments that have been returned to the Medicare program that were discovered as direct or indirect result of the corporate integrity provisions in this CIA (the report must include a detailed description of how the overpayments were calculated); and

(9) a certification by the Compliance Officer verifying that Hospital is in compliance with all of the requirements of this CIA.

VI. NOTIFICATIONS AND SUBMISSION OF REPORTS

Unless otherwise stated subsequent to the execution of this CIA, all notifications and reports required under the terms of this CIA shall be submitted to the entities listed below:

If to the OIG:

Civil Recoveries Branch - Compliance Unit
Office of Counsel to the Inspector General
Office of Inspector General
U.S. Department of Health and Human Services
330 Independence Avenue, SW
Cohen Building, Room 5527
Washington, DC 20201
Phone 202.619.2078
Fax 202.205.0604

If to Hospital:

Howard M. Pearl
Winston & Strawn
35 W. Wacker Drive
Chicago, Illinois 60601
Phone 312.558.5269
Fax 312.558.5700

VII. DOCUMENT AND RECORD RETENTION

Hospital shall maintain for inspection documents and records relating to reimbursement from the federal health care programs or with compliance with this CIA until the fourth anniversary of the execution of this CIA or until otherwise required to retain such records, whichever is later.

VIII. BREACH AND DEFAULT PROVISIONS

Hospital's compliance with the terms and conditions in this CIA shall constitute an element of Hospital's present responsibility with regard to participation in Federal health care programs. Full and timely compliance by Hospital shall be expected throughout the duration of the compliance period required by this CIA with respect to all of the obligations herein agreed to by Hospital. All modifications to this CIA (including changes to dates on which an obligation is due to be met) shall be requested in writing and agreed to by the OIG in writing prior to the date on which the modification is expected to take effect.

A. STIPULATED PENALTIES FOR FAILURE TO COMPLY WITH CERTAIN OBLIGATIONS

As a contractual remedy, Hospital and OIG hereby agree that failure to comply with certain obligations set forth in this CIA may lead to the imposition of the following monetary penalties (hereinafter referred to as "stipulated penalties") in accordance with the following provisions.

(1) A stipulated penalty of \$1,500 (which shall begin to accrue on the date the obligation became due) for each day Hospital fails to have in place any of the following during the entire period beginning 120 days after the execution of this CIA and concluding at the end of the corporate integrity period required by this CIA:

- a. a Compliance Officer;
- b. written Policies and Procedures;
- c. an education and training program;
- d. a mechanism for obtaining compliance audits and reporting material deficiencies; and
- e. a Confidential Disclosure Program;

(2) A stipulated penalty of \$1,500 (which shall begin to accrue on the date the obligation became due) for each day Hospital fails meet the deadlines set forth in section III(g) to submit a written report within 150 days of the execution of this CIA and to submit annual written reports within 30 days of the first, second, and third anniversary dates of the execution of this CIA.

(3) A stipulated penalty of \$1,500 (which shall begin to accrue on the date the failure to comply began) for each day Hospital employs or contracts with an individual after that individual has been listed by a federal agency as excluded, debarred, suspended or otherwise ineligible for participation in

the Medicare, Medicaid or any other Federal health care program (as defined in 42 U.S.C. § 1320a-7b(f)). This stipulated penalty shall not be demanded if Hospital can demonstrate that it did not discover the

individual's exclusion or other ineligibility after making a reasonable inquiry (as described in section III(f)) as to the current or potential status of the employee or consultant engaged.

- (4) A stipulated penalty of \$1,500 (which shall begin to accrue on the date that the OIG provides notice to Hospital of the failure to comply) for each day Hospital fails to comply with any corporate integrity requirement in this CIA where the failure to comply does not form the basis for stipulated penalties under provisions (1), (2), or (3) above.

B. PAYMENT OF STIPULATED PENALTIES

(1) Upon finding that Hospital has failed to comply with any of the obligations described in section VIII.A and determining that stipulated penalties are appropriate, the OIG shall notify Hospital by certified mail of: (i) Hospital's failure to comply; and (ii) the OIG's exercise of its contractual right to demand payment of the stipulated penalties (this notification is hereinafter referred to as the "Demand Letter"). Within 15 days of the date of the Demand Letter, Hospital shall either: (i) cure the breach to the OIG's satisfaction and pay the applicable stipulated penalties; (ii) request a hearing before an HHS administrative law judge (ALJ) to dispute the OIG's determination of

noncompliance, pursuant to the agreed upon provisions set forth below in section D of this section; or (iii) be in material breach of this CIA.

(2) Hospital may submit a timely written request for an extension of time to perform any act or file a notification or report required by this CIA. Notwithstanding any other provision in this section, if OIG grants the timely written request, Stipulated Penalties shall not begin to accrue unless and until Hospital fails to meet the deadline granted by the extension. Notwithstanding any other provision in this section, if OIG denies a timely written request, Stipulated Penalties shall not begin to accrue until two business days following Hospital's receipt of OIG's written denial of such a request. A "timely written request" is defined as a request in writing received by OIG at least five business days prior to the date by which any act is due to be performed or notification or report is due to be filed.

(3) Payment of the stipulated penalties shall be made by certified or cashier's check, payable to "Secretary of the Department of Health and Human Services," and submitted to the OIG at the address set forth in section VI.

(4) Except as otherwise noted, these provisions for payment of Stipulated Penalties shall not affect or otherwise set a standard for the OIG's determination that Hospital has materially breached this CIA, which decision shall be made at the OIG's discretion and governed by the provisions in section C of this section, below.

C. EXCLUSION FOR MATERIAL BREACH OF THIS CIA

The parties agree that a material breach of this CIA by Hospital constitutes an independent basis for Hospital's exclusion from participation in Medicare, Medicaid, and all other Federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)). Upon a determination by the OIG that Hospital has materially breached this CIA and that exclusion should be imposed, the OIG shall notify Hospital by certified mail of: (i) Hospital's material breach; and (ii) the OIG's intent to exercise its contractual right to impose exclusion (this notification is hereinafter referred to as the "Notice of Material Breach and Intent to Exclude Letter"). Hospital shall have 35 days from the date of the letter to proceed as follows:

- (1) demonstrate to the OIG's satisfaction that Hospital is in full compliance with this CIA;
- (2) cure the alleged material breach; or
- (3) demonstrate to the OIG's satisfaction that the alleged material breach cannot be cured within the 35 day period, but that (i) Hospital has begun to take action to cure the material breach, (ii) Hospital is pursuing such action with due diligence, and (iii) Hospital has provided to the OIG a reasonable timetable for curing the material breach.

If at the conclusion of the 35-day period (or other specific period as subsequently agreed by the OIG and Hospital), Hospital fails to meet the requirements of provisions 1,

2, or 3 above, the OIG may exclude Hospital from participation in the Medicare, Medicaid and any other federal health care programs (as defined in 42 U.S.C. § 1320a-7b(f)). The OIG will notify Hospital in writing of its determination to exclude Hospital (this letter shall be referred to hereinafter as the "Exclusion Letter"). Subject to the dispute resolution provisions in section VIII.D below, the exclusion shall go into effect 30 days after the date of the Exclusion Letter. The exclusion shall have national effect and will also apply to all other federal procurement and non-procurement programs. If Hospital is excluded under the provisions of this CIA, Hospital may seek reinstatement pursuant to the provisions at 42 C.F.R. §§ 1001.3001-.3004.

A material breach of this CIA means: (i) a failure by Hospital to meet an obligation under this CIA where the failure has a significant adverse impact on the integrity of Medicare, Medicaid, or any other Federal health care program (for example, a failure to report a material deficiency, take corrective action and pay the appropriate refunds, as provided in section III(d)); or (ii) repeated or flagrant violations of the obligations under this CIA, including, but not limited to, the obligations addressed in section A of this section.

In connection with the OIG's determination to exclude Hospital pursuant to this provision, Hospital shall have the right to dispute the OIG's determination in accordance with the agreed upon provisions set forth in section D of this section.

D. DISPUTE RESOLUTION

Upon the OIG's delivery to Hospital of its Demand Letter or of its Exclusion Letter, and as an agreed-upon contractual remedy for the resolution of disputes arising under the obligation of this CIA, Hospital shall be afforded some review rights comparable to the ones that are provided in 42 U.S.C. § 1320a-7(f) and 42 C.F.R. § 1005.2 as if they applied to the stipulated penalties or exclusion sought pursuant to this CIA. Specifically, the OIG's determination to demand payment of stipulated penalties or to seek exclusion shall be subject to review by an ALJ and Departmental Appeals Board (DAB) in a manner consistent with the provisions in 42 C.F.R. §§ 1005.2-1005.21.

Notwithstanding the language in 42 C.F.R. § 1005.2(c), the request for a hearing involving stipulated penalties shall be made within ten (10) days of the date of the Demand Letter and the request for a hearing involving exclusion shall be made within thirty (30) days of the date of the Exclusion Letter.

Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for stipulated penalties under this CIA shall be: (i) whether Hospital was in full and timely compliance with the obligations of this CIA for which the OIG demands payment; and, (ii) the period of noncompliance. With respect to stipulated penalties described in sections VIII.A.(1)-(3), Hospital shall have the burden of proving its full and timely compliance with the applicable requirements. With respect to stipulated penalties described in section VIII.A(4), the OIG shall have the burden of proving that Hospital was not in full and

timely compliance with the applicable requirements. With respect to all stipulated penalties, Hospital shall have the burden of proving when and how it cured any noncompliance proven by the OIG. For purposes of paying stipulated penalties under this CIA, and if Hospital chooses to seek review in lieu of curing the breach and paying the stipulated penalties, as set forth above, the ALJ's decision shall trigger Hospital's obligation to pay. Thus, payment will be due 20 days after the date that the ALJ issues the decision. Hospital's election of its contractual right to appeal to the DAB shall not excuse its obligation to make payment upon issuance of the ALJ's decision.

Notwithstanding any provision of Title 42 of the United States Code or Chapter 42 of the Code of Federal Regulations, the only issues in a proceeding for exclusion based on a breach of this CIA shall be: (i) whether Hospital was in material breach of this CIA; and (ii) whether such breach was continuing on the date of the Exclusion Letter. For purposes of the exclusion herein agreed to in the event of material breach of this CIA, the ALJ's decision shall trigger the exclusion. Thus, the OIG may proceed with its exclusion of Hospital if and when the ALJ issues a decision in favor of the OIG. Hospital's election of its contractual right to appeal to the DAB shall not abrogate the OIG's authority to exclude Hospital upon the issuance of the ALJ's decision. The review by an ALJ or DAB provided for above shall not be considered to be an appeal right arising under any statutes or regulations. Consequently, the parties to this CIA agree that the DAB's decision (or the ALJ's decision if not appealed) shall be considered final for all purposes under this

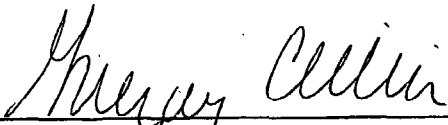
CIA and agree to waive any right they may have to appeal the decision administratively, judicially or otherwise seek its review by any court or other adjudicative forum.

IX. EFFECTIVE AND BINDING AGREEMENT

Consistent with the provisions in the settlement agreement pursuant to which this CIA is entered, and into which this CIA is incorporated, Hospital and the OIG agree as follows:


1. this CIA shall be binding on the successors, assigns and transferees of Hospital;
2. this CIA shall become final and binding upon signing by each respective party hereto;
3. any modifications to this CIA shall be made with the prior written consent of the parties to this CIA; and
4. the undersigned Hospital signatories represent and warrant that they are authorized to execute this CIA. The undersigned United States signatory represents that he is signing this CIA in his official capacity and that he is authorized to execute this CIA.

ON BEHALF OF WEISS MEMORIAL HOSPITAL



GREGORY A. CIERLIK
President & CEO
WEISS MEMORIAL HOSPITAL


10-9-98
DATE



HOWARD M. PEARL, Counsel for
WEISS MEMORIAL HOSPITAL

10/9/98
DATE

**ON BEHALF OF THE OFFICE OF INSPECTOR GENERAL
OF THE DEPARTMENT OF HEALTH AND HUMAN SERVICES**



LEWIS MORRIS
Assistant Inspector General for Legal Affairs
Office of Inspector General
U. S. Department of Health and Human Services

10/20/98
DATE